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UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

SECURITIES AND EXCHANGE
COMMISSION,

Plaintiff,

v.

OFER ABARBANEL, VICTOR CHILELLI,
INCOME COLLECTING 1-3 MONTHS T-
BILLS MUTUAL FUND,

Defendants.

21-CV-5429 (RA)

ORDER

RONNIE ABRAMS, United States District Judge:

Plaintiff Securities and Exchange Commission (“SEC”) filed this action against three Defendants—Ofer Abarbanel, Victor Chilelli, and Income Collecting 1-3 Months T-Bills Mutual Fund—and various Relief Defendants. The SEC alleges that Defendants engaged in a fraudulent scheme to deceive and defraud investors and that Relief Defendants received the proceeds of that fraudulent scheme. Along with its complaint, the SEC filed an application for an asset freeze and a proposed order to show cause why the asset freeze should not be continued until the conclusion of the litigation. On June 18, 2021, the Court ordered a temporary freeze of Defendants’ and Relief Defendants’ assets. In that same order, the Court: (1) ordered Defendants to submit sworn accountings; (2) ordered Defendants and Relief Defendants to provide expedited discovery to the SEC; and (3) ordered Defendants and Relief Defendants to show cause as to why the Court should not extend the asset freeze throughout the final disposition of the action. The show cause hearing has been adjourned following various extension requests from the appearing parties.

On September 10, 2021, the United States Attorney’s Office for the Southern District of New York, representing the United States of America (“the Government”), moved to intervene

and for a stay in this case pending the resolution of its criminal prosecution of individual Defendants. The Court granted the Government's motion to intervene on December 17, 2021, but reserved decision on the stay motion pending a possible settlement between the SEC and the only Defendant to have appeared at the time, Income Collecting Fund. A final judgment was entered against Income Collecting Fund on January 31, 2022. Since then, the SEC has indicated that it does not oppose the Government's stay request, provided that the asset freeze remains in place for the pendency of this litigation against all remaining Defendants and Relief Defendants.

On January 19, 2022, Relief Defendant Global EMEA Holdings LLC filed a response to the SEC's application for an asset freeze and order to show cause, arguing that the asset freeze on its funds should be lifted. In its motion, Global EMEA relies on the allegations in the SEC's original complaint. Since Global EMEA's motion, the SEC has filed an amended complaint. The SEC replied to Global EMEA's opposition on February 16, 2022. In that reply, the SEC relied on the allegations in its amended complaint.

If Global EMEA wishes to submit a supplemental brief responding to the allegations in the SEC's amended complaint, it shall do so by March 3, 2022. The Court will subsequently schedule a hearing with all parties to discuss the Government's motion to stay and Global EMEA's opposition to the SEC's application.

SO ORDERED.

Dated: February 18, 2022
New York, New York



Hon. Ronnie Abrams
United States District Judge